

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2968 - SB 2930

February 28, 2012

SUMMARY OF BILL: Decreases, from ten to five percent, the amount of reduction applied to a civil penalty assessed on a nursing home by the Department of Health, if the nursing home pays the penalty on or before the day an answer is due to be filed with the Secretary of State and the Department demanding a contested case hearing.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – Less Than \$500/
Nursing Home Resident Protection Trust Fund**

Increase State Expenditures – Not Significant

Assumptions:

- Decreasing the amount of reduction for a civil penalty by five percent when the nursing home pays instead of contesting the decision will result in an increase of revenue in the Nursing Home Resident Protection Trust Fund.
- According to the Department of Health, the five percent increase would have accounted for an additional \$225 in FY09-10 and \$430 in FY10-11.
- While the exact amount of increased revenue cannot be quantified because penalties are assessed sporadically and nursing homes have a choice of whether or not to pay the penalty to obtain the reduction, it is reasonably estimated that any increase will be less than \$500 per year.
- According to the Department, implementing the change in the reduction amount will not significantly affect the workload of the Department.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

HB 2968 - SB 2930

/kml